

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MICHIGAN**

In re:

BARFLY VENTURES, LLC, *et. al.*,¹

Debtor.

Chapter 11

Case No. 20-01947

(Jointly Administered)

**MONTHLY FEE STATEMENT OF PACHULSKI
STANG ZIEHL & JONES LLP FOR COMPENSATION
FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES
AS COUNSEL TO DEBTORS FOR SEPTEMBER 1, 2020 TO SEPTEMBER 30, 2020**

Name of Applicant:	Pachulski Stang Ziehl & Jones LLP
Authorized to provide services to:	Debtors
Effective Date of Retention:	June 3, 2020
Period for which compensation is sought: ²	September 1, 2020 – September 30, 2020
Amount of compensation sought as actual, reasonable, and necessary:	\$56,695.50 80% = \$45,356.40 20% = \$11,339.10
Amount of expense reimbursement sought:	\$0.00
Total interim request:	\$45,356.40

¹ The Debtors and the last four digits of their federal employment identification number are: Barfly Ventures, LLC (8379); 9 Volt, LLC (d/b/a HopCat) (1129); 50 Amp Fuse, LLC (d/b/a Stella's Lounge) (3684); GRBC Holdings, LLC (d/b/a Grand Rapids Brewing Company) (2130); E L Brewpub, LLC (d/b/a HopCat East Lansing) (5334); HopCat-Ann Arbor, LLC (5229); HopCat-Chicago, LLC (7552); HopCat-Concessions, LLC (2597); HopCat-Detroit, LLC (8519); HopCat-GR Beltline, LLC (9149); HopCat-Holland, LLC (7132); HopCat-Indianapolis, LLC (d/b/a HopCat-Broad Ripple) (7970); HopCat-Kalamazoo, LLC (8992); HopCat-Kansas City, LLC (d/b/a HopCat-KC, LLC and Tikicat) (6242); HopCat-Lexington, LLC (6748); HopCat-Lincoln, LLC (2999); HopCat-Louisville, LLC (0252); HopCat-Madison, LLC (9108); HopCat-Minneapolis, LLC (8622); HopCat-Port St. Lucie, LLC (0616); HopCat-Royal Oak, LLC (1935); HopCat-St. Louis, LLC (6994); Luck of the Irish, LLC (d/b/a The Waldron Public House, LLC and McFadden's Restaurant Saloon) (4255).

² Under the Court's *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 113], monthly fee statements are to be filed on or before the 20th of each month. The Court's order authorizing employment of Pachulski Stang Ziehl & Jones LLP, however, was not entered until July 22, 2020. Therefore, PSZJ delayed filing its fee statement until its retention was approved.

Dated: October 2, 2020

WARNER NORCROSS + JUDD LLP

/s/ Rozanne M. Giunta

Rozanne M. Giunta (P29969)
Stephen B. Grow (P39622)
Elisabeth M. Von Eitzen (P70183)
1500 Warner Building
150 Ottawa Avenue, NW
Grand Rapids, Michigan 49503
Telephone: (616) 752-2000

--and--

PACHULSKI STANG ZIEHL & JONES LLP

John W. Lucas (admitted *pro hac vice*)
Jason Rosell (admitted *pro hac vice*)
150 California Street, 15th Floor
San Francisco, California 94111
Telephone: (415) 263-7000

Counsel to the Debtors and Debtors in Possession

Pachulski Stang Ziehl & Jones LLP

150 California St.
Floor 15th
San Francisco, CA 94111

Jeffrey Sorum
Barfly Ventures
35 Oakes St. SW #400
Grand Rapids, MI 49503

September 30, 2020

Invoice 125943

Client 07979

Matter 00002

JWL

RE: Chapter 11

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 09/30/2020

FEES	\$60,230.00
LESS COURTESY DISCOUNT	\$3,534.50
TOTAL CURRENT CHARGES	\$56,695.50
BALANCE FORWARD	\$72,559.73
TOTAL BALANCE DUE	\$129,255.23

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Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
JHR	Rosell, Jason H.	Partner	725.00	21.40	\$15,515.00
JWL	Lucas, John W.	Partner	825.00	54.20	\$44,715.00
				<hr/> 75.60	<hr/> \$60,230.00

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Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AD	Asset Disposition [B130]	58.90	\$46,962.50
BL	Bankruptcy Litigation [L430]	0.20	\$145.00
BO	Business Operations	0.60	\$495.00
CA	Case Administration [B110]	1.30	\$1,072.50
CG	Corporate Governance/Board Mtr	2.10	\$1,732.50
CO	Claims Admin/Objections[B310]	1.70	\$1,382.50
CP	Compensation Prof. [B160]	0.40	\$330.00
EC	Executory Contracts [B185]	1.90	\$1,497.50
FN	Financing [B230]	1.80	\$1,475.00
H	Hearings	6.50	\$4,972.50
IC	Insurance Coverage	0.20	\$165.00
		75.60	<hr/> \$60,230.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Disposition [B130]						
09/01/2020	JWL	AD	Calls with R. Hersch regarding same process (.2); calls with J. Gansman regarding same (.2); email to client regarding sale process and PPP proceeds (.2);	0.60	825.00	\$495.00
09/02/2020	JWL	AD	Call with UCC counsel regarding sale process (.3); call with client regarding same (1.0);	1.30	825.00	\$1,072.50
09/04/2020	JWL	AD	Call with lenders' counsel regarding sale closing (.5); follow up call with J. Gansman regarding same (.2);	0.70	825.00	\$577.50
09/08/2020	JWL	AD	Call with UCC counsel regarding sale issues (.3); review emergence waterfall and projections (.3); call with Rock Creek regarding sale issues (.3); call with R. Hersch regarding sale process issues (.2);	1.10	825.00	\$907.50
09/09/2020	JWL	AD	Emails with UCC regarding sale status (.1); email with R. Hersch regarding same (.1); respond to lender questions regarding contract and lease assumption and review APA regarding the same (.6); call with lenders' counsel and lenders regarding sale issues, sale hearing, and closing (.7);	1.50	825.00	\$1,237.50
09/10/2020	JWL	AD	Respond to lender questions regarding sale projections and wind down budget (.5); attend UCC call regarding sale issues (.6); call with lender's counsel regarding same (.2); call with UCC counsel regarding continuance of hearing (.1); call with von Eitzen regarding same (.1);	1.50	825.00	\$1,237.50
09/11/2020	JWL	AD	Review cash forecast (.2); call with Rock Creek regarding the same (.5); email with client regarding same (.2); catch up call with lenders regarding closing issues (.4);	1.30	825.00	\$1,072.50
09/15/2020	JWL	AD	Call with UCC counsel regarding sale issues (.5);	0.50	825.00	\$412.50
09/16/2020	JWL	AD	Emails regarding notice of cancellation of auction and review notice regarding same (.3);	0.30	825.00	\$247.50
09/17/2020	JHR	AD	Draft notice of cancelled auction and related review of bidding procedures	0.60	725.00	\$435.00
09/18/2020	JWL	AD	Call with UCC counsel regarding sale issues and waterafall (.5); call with Gordon Foods regarding cure issue (.4); call with lender's counsel regarding same (.2);	1.10	825.00	\$907.50
09/19/2020	JWL	AD	Emails with client regarding cure claim of Gordon	0.30	825.00	\$247.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			Foods (.3);			
09/19/2020	JWL	AD	Review proposed sale order provided by lenders and prepare response email (1.0);	1.00	825.00	\$825.00
09/20/2020	JHR	AD	Revise draft sale order	2.10	725.00	\$1,522.50
09/21/2020	JWL	AD	Review and revise proposed sale order (1.4); call with J. Rosell regarding same (.2); email to client regarding the same (.2); call with Rock Creek regarding Gordon Foods (.3); review emails regarding proposed changes to sale order regarding liquor license transfer issues (.3); call with lender's counsel regarding form of sale order (.2); call with Gordon Foods counsel regarding cure issues (.3); call with lenders regarding the same (.6); work on Gordon Foods cure claim background (.7); call with E. Von Eitzen regarding sale status (.2);	4.40	825.00	\$3,630.00
09/21/2020	JHR	AD	Call with J. Lucas re: sale order	0.20	725.00	\$145.00
09/21/2020	JHR	AD	Review revisions to sale order per liquor license counsel and related correspondence	0.30	725.00	\$217.50
09/22/2020	JWL	AD	Call with R. Hersch regarding same process (.2); call with J. Gansman regarding the same (.2); review APA regarding purchased action provisions for lender call (.2); lender call regarding same (.3); review info on Hot Schedules for cure claim under contract (.3);	1.20	825.00	\$990.00
09/22/2020	JHR	AD	Draft Hersch declaration in support of sale	1.10	725.00	\$797.50
09/22/2020	JHR	AD	Draft N. Lidvall's declaration in support of sale motion	0.70	725.00	\$507.50
09/23/2020	JWL	AD	call with J. Rosell regarding sale order and other pending sale issues (.3); review lenders' latest turn of sale order (.3); respond to and work on resolution of cure claims (.6); review UST objection to sale motion (.4); call with J. Rosell regarding sale order (.1); call with UCC counsel regarding pending sale issues (.3); review UCC objection to sale (1.0); review lenders revised APA (.3); emails with lenders regarding negotiations with the UCC and GFS (.2); review revised sale order change by debtors (.2); call with Rock Creek regarding wind down budget (.4); further exchange of emails with lender's counsel regarding sale objections and hearing strategy (.3);	4.40	825.00	\$3,630.00
09/23/2020	JHR	AD	Analyze schedule 2.2 for APA and related correspondence with Rock Creek.	0.30	725.00	\$217.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
09/23/2020	JHR	AD	Review purchaser's revisions to proposed sale order and related correspondence with J. Lucas	0.20	725.00	\$145.00
09/23/2020	JHR	AD	Call with J. Lucas re: sale issues	0.30	725.00	\$217.50
09/23/2020	JHR	AD	Review UST sale objection and related research	0.50	725.00	\$362.50
09/23/2020	JHR	AD	Review lender's revisions to sale order and further revise sale order	0.50	725.00	\$362.50
09/23/2020	JHR	AD	Review Committee sale objection and related research	0.90	725.00	\$652.50
09/23/2020	JHR	AD	Revise sale order and related correspondence with lenders	0.50	725.00	\$362.50
09/24/2020	JWL	AD	Call with J. Rosell and Rock Creek regarding wind down budget (.7); call with lenders regarding sale hearing (.5); call with client regarding outstanding cure claim issues (.2); call with R. Hersch regarding same process (.1); call with UCC counsel regarding disputed sale issues with lenders (.2); emails with E. Von Eitzen regarding lease amendments and cure issues (.2); call with lender's counsel regarding wind down budget (.2); call with Rock Creek regarding same (.2); respond to calls and emails regarding wind down budget and sale order (.4);	2.70	825.00	\$2,227.50
09/24/2020	JHR	AD	Conference call with Rock Creek and J. Lucas re: wind-down budget	0.70	725.00	\$507.50
09/24/2020	JHR	AD	Prepare for call with Rock Creek re: wind down budget	0.20	725.00	\$145.00
09/24/2020	JHR	AD	Revise N. Lidvall declaration in support of sale and related correspondence	0.40	725.00	\$290.00
09/24/2020	JHR	AD	Revise R. Hersch declaration in support of sale and related correspondence	0.40	725.00	\$290.00
09/24/2020	JHR	AD	Prepare notice of sale order and amended APA	0.60	725.00	\$435.00
09/24/2020	JHR	AD	Conference call with lenders re: sale issues	0.50	725.00	\$362.50
09/24/2020	JHR	AD	Revise sale declarations and related correspondence with WNJ	0.50	725.00	\$362.50
09/24/2020	JHR	AD	Correspondence with BarFly re: APA schedules	0.20	725.00	\$145.00
09/24/2020	JHR	AD	Correspondence with lenders re: sale declarations	0.20	725.00	\$145.00
09/24/2020	JHR	AD	Correspondence with WNJ and lenders re: sale order issues	0.40	725.00	\$290.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
09/24/2020	JHR	AD	Revise sale documents in preparation for sale hearing	1.20	725.00	\$870.00
09/24/2020	JHR	AD	Review lender reply to sale objections	0.50	725.00	\$362.50
09/24/2020	JHR	AD	Revise sale order and amended APA	0.70	725.00	\$507.50
09/24/2020	JHR	AD	Analyze revised wind down budget and related correspondence with Rock Creek	0.30	725.00	\$217.50
09/25/2020	JWL	AD	Prepare for sale hearing in response to pending objections (2.6); call with lender's counsel regarding hearing preparations (.2); call with Gordon Foods counsel (.2); follow up call with Rock Creek regarding preparations for mediation (.2); attend mediation session with J. Gregg regarding sale dispute (6.5); call with M. Murphy regarding follow up and next steps after the sale (.1);	9.80	825.00	\$8,085.00
09/25/2020	JHR	AD	Conference call with J. Lucas and WNJ re: sale issues	0.50	725.00	\$362.50
09/25/2020	JHR	AD	Call with J. Lucas re: post-sale hearing issues	0.10	725.00	\$72.50
09/25/2020	JHR	AD	Correspondence with J. Lucas re: sale issues	0.20	725.00	\$145.00
09/26/2020	JWL	AD	Call with J. Rosell regarding sale strategy issues (.5); call with Rock Creek regarding same (.3); call with UCC counsel regarding potential sale settlement (.3); another call with J. Gansman regarding same (.1);	1.20	825.00	\$990.00
09/26/2020	JHR	AD	Call with J. Lucas re: sale issues	0.50	725.00	\$362.50
09/27/2020	JWL	AD	Call with J. Gregg regarding restarting the mediation and next steps (1.0); email to UCC counsel regarding the same (.1); call with N. Lidvall regarding sale resolution (.5); call with M. Murphy regarding same and email regarding same (.2);	1.80	825.00	\$1,485.00
09/28/2020	JWL	AD	Call with E. Von Eitzen regarding sale process (.2); call with UCC counsel regarding sale issues (.2); emails with lenders regarding sale issues (.2); call with Rock Creek regarding budget (.4); call with P. Neitzl regarding wind down budget (.5);	1.50	825.00	\$1,237.50
09/29/2020	JWL	AD	Email with UST regarding wind down budget (.3); and email with client regarding D&O cost for wind down budget (.3); call with UCC advisors regarding budget (1.0); call with D&O carrier regarding cost for wind down budget (.2) and prepare waiver language regarding the same (.2);	2.00	825.00	\$1,650.00

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
09/30/2020	JWL	AD	Review Rock Creek update regarding call with lenders about forecast (.3); review revised forecast with new actual revenues and cash need for sale (.5); call with J. Torf regarding Gordon Foods cure dispute (.3); review Gordon Foods cure counteroffer and respond to client regarding the same (.3); call with client and Rock Creek regarding settlement strategy (.5); call with J. Gregg regarding the same (.5);	2.40	825.00	\$1,980.00
				58.90		\$46,962.50

Bankruptcy Litigation [L430]

09/28/2020	JHR	BL	Review sale hearing scheduling order	0.20	725.00	\$145.00
				0.20		\$145.00

Business Operations

09/14/2020	JWL	BO	Emails with client regarding status of revised MOR and MORs to be filed (.2); call with J. Gansman regarding the same (.2);	0.40	825.00	\$330.00
09/22/2020	JWL	BO	Emails with company regarding finishing MORs for July and August (.2);	0.20	825.00	\$165.00
				0.60		\$495.00

Case Administration [B110]

09/10/2020	JWL	CA	Review Goodrich dismissal motion and UST objection and discuss with M. Litvak regarding the same (.1.1);	1.10	825.00	\$907.50
09/14/2020	JWL	CA	Respond to client regarding general case administration issues (.2);	0.20	825.00	\$165.00
				1.30		\$1,072.50

Corporate Governance/Board Mtr

09/29/2020	JWL	CG	Call with counsel to M. Sellers regarding insurance and email to client regarding the same (.3);	0.30	825.00	\$247.50
09/30/2020	JWL	CG	Attend and present at board meeting regarding D&O tail insurance (.9); call with state court counsel regarding e-signature issues and claim assessment (.7); call with other state court counsel regarding e-signature issues (.2);	1.80	825.00	\$1,485.00

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				2.10		\$1,732.50
Claims Admin/Objections[B310]						
09/14/2020	JWL	CO	Review standing stipulation with UCC regarding claims against Sellers and send to client for approval (.2); review motion filed by Gordon Foods for payment of admin claim (.2); review motion filed by Gordon Foods regarding adequate protection (.2); send summary to client regarding same (.3);	0.90	825.00	\$742.50
09/14/2020	JWL	CO	Call with counsel to Gordon Foods regarding PACA and admin claim motion (.3);	0.30	825.00	\$247.50
09/17/2020	JWL	CO	Review zoning invoice claims and prepare email to client regarding treatment of claim (.3);	0.30	825.00	\$247.50
09/22/2020	JHR	CO	Review claims spreadsheet	0.20	725.00	\$145.00
				1.70		\$1,382.50
Compensation Prof. [B160]						
09/17/2020	JWL	CP	Work on monthly fee statements (.4);	0.40	825.00	\$330.00
				0.40		\$330.00
Executory Contracts [B185]						
09/01/2020	JHR	EC	Call with J. Aberman re: lease issues	0.30	725.00	\$217.50
09/17/2020	JWL	EC	Review cure and contract offer for Gordon Foods and comment on the same (.3); emails regarding cure claim for software contract (.3);	0.60	825.00	\$495.00
09/18/2020	JWL	EC	Review cure claim info for call with counterparty (.2); review waterfall regarding same (.2); call with J. Gansman regarding GFS cure claim (.2);	0.60	825.00	\$495.00
09/19/2020	JHR	EC	Review correspondence with Gordon Foods re: cure issues	0.20	725.00	\$145.00
09/21/2020	JHR	EC	Correspondence with WNJ re: lease issues for sale purposes	0.20	725.00	\$145.00
				1.90		\$1,497.50
Financing [B230]						
09/01/2020	JWL	FN	Revise complaint against BSA regarding use of PPP proceeds (1.0); call with UCC counsel regarding same (.5); call with Rock Creek regarding PPP funds (.2);	1.70	825.00	\$1,402.50

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				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
09/29/2020	JHR	FN	Correspondence with UST re: PPP funding	0.10	725.00	\$72.50
				1.80		\$1,475.00
Hearings						
09/15/2020	JWL	H	Attend status conference hearing regarding sale process (.3);	0.30	825.00	\$247.50
09/25/2020	JWL	H	Attend Sept. 25 sale hearing (2.3);	2.30	825.00	\$1,897.50
09/25/2020	JHR	H	Review sale hearing agenda	0.20	725.00	\$145.00
09/25/2020	JHR	H	Prepare for sale hearing	0.50	725.00	\$362.50
09/25/2020	JHR	H	Attend sale hearing (morning)	2.50	725.00	\$1,812.50
09/25/2020	JHR	H	Attend continued sale hearing	0.70	725.00	\$507.50
				6.50		\$4,972.50
Insurance Coverage						
09/22/2020	JWL	IC	Emails with UCC counsel and company regarding history of D&O coverage (.2);	0.20	825.00	\$165.00
				0.20		\$165.00
TOTAL SERVICES FOR THIS MATTER:						\$60,230.00

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REMITTANCE ADVICE

Please include this Remittance with your payment

For current services rendered through: 09/30/2020

Total Fees	\$60,230.00
Less Courtesy Discount	\$3,534.50
Total Due on Current Invoice	\$56,695.50

Outstanding Balance from prior invoices as of 09/30/2020 (May not include recent payments)

<u>A/R Bill Number</u>	<u>Invoice Date</u>	<u>Fees Billed</u>	<u>Expenses Billed</u>	<u>Balance Due</u>
125564	07/31/2020	\$81,370.00	\$652.09	\$39,714.39
125858	08/31/2020	\$32,489.50	\$355.84	\$32,845.34

Total Amount Due on Current and Prior Invoices:	\$129,255.23
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